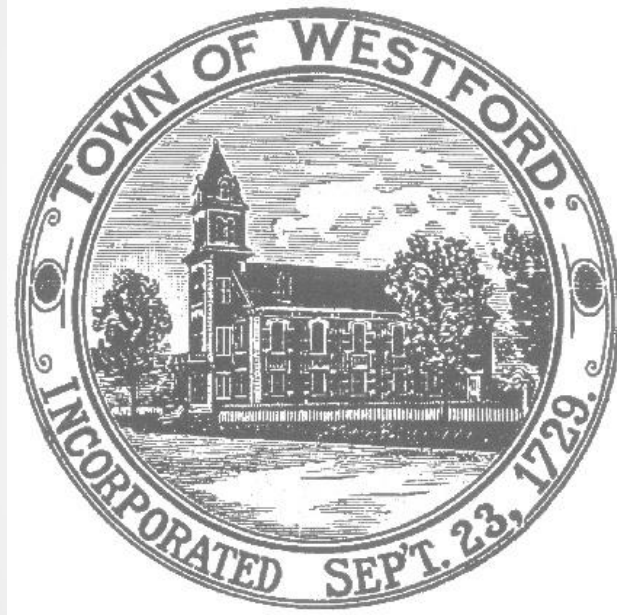


Town of Westford



Fiscal Year 2024 Message

Jodi Ross
Town Manager
December 13th, 2022

Town Charter requirements related to annual operating budget

- The financial management powers, duties and responsibilities of the town manager shall include but not be limited to the following:
- (a) to prepare and submit, after consultation with all town departments an annual operating budget and capital improvements program for all town departments;

FY24 Town Budget Objectives

- Strived to adhere to Select Board [FY24 Budget Policy Direction](#)
- Maintained level services
- Sustained town assets through capital investment
- Shared mission statements / organizational charts
- Explained significant changes
- Offered transparency
- Budget documents available at [2023 Annual Town Meeting](#) on our Town's website www.westfordma.gov

FY23 vs. FY24 Projected Revenue

| Revenue | FY23 | FY24 | Variance |
|---|----------------------|----------------------|--------------------|
| Tax Revenue | \$90,837,699 | \$93,587,809 | 2,750,110 |
| Local Revenue | 6,626,198 | 6,914,096 | 287,898 |
| MSBA Offset* | 1,639,933 | 0 | (1,639,933) |
| State Aid | 20,722,236 | 20,925,873 | 203,637 |
| Enterprise Revenue | 8,053,357 | 8,195,417 | 142,060 |
| Free Cash Applied to Budget | 0 | 0 | 0 |
| Other Available Funds** | 2,951,268 | 1,663,595 | (1,287,673) |
| Free Cash – Capital, Perchlorate, Snow & Ice | 2,257,539 | 4,621,391 | 2,363,852 |
| Total | \$133,088,230 | \$135,908,181 | \$2,819,951 |

*The Massachusetts School Building Authority (MSBA) debt service for the Stony Brook, Crisafulli, and Miller Schools is paid in full, so we no longer budget the state share.

** Does not include Community Preservation recommendations.

FY22 - FY24 Local Revenue

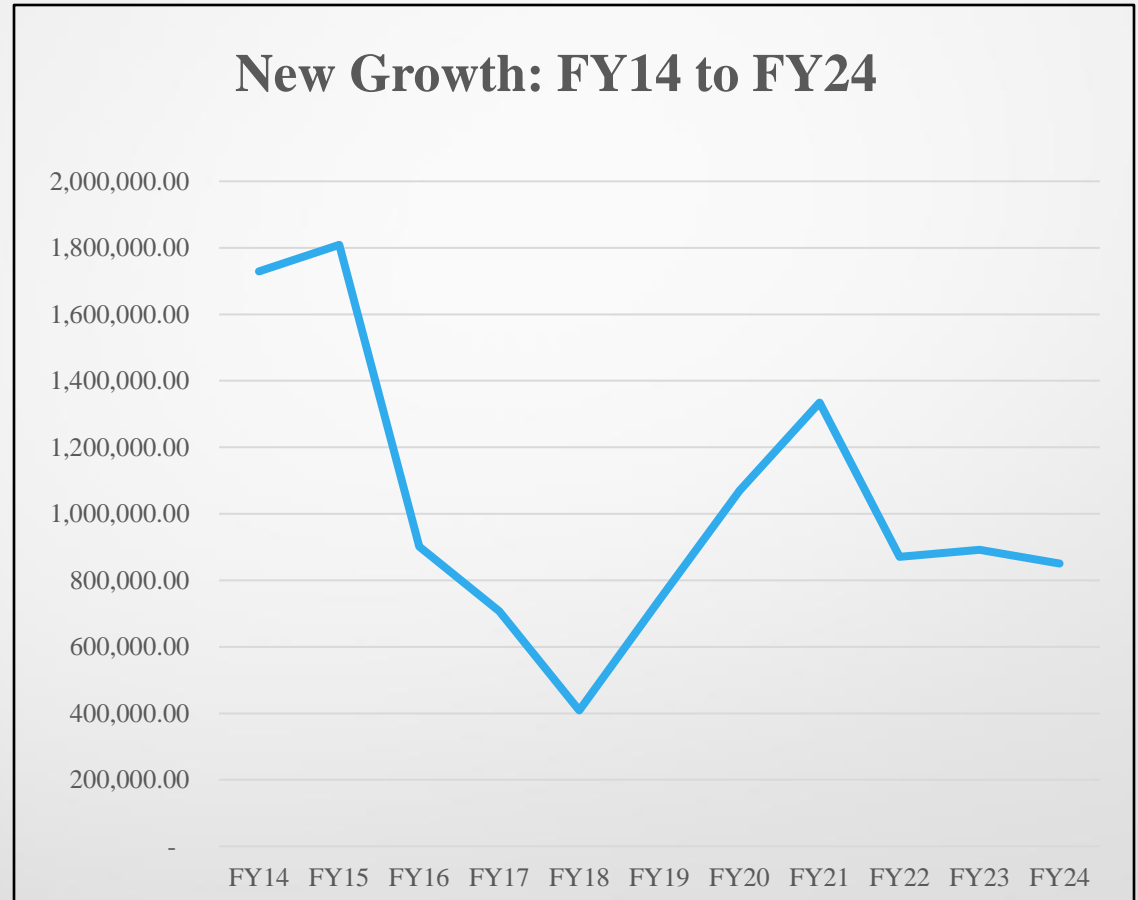
| Revenue | FY22 Act. | FY23 Bud. | FY24 Bud. |
|-------------------------------------|------------------|------------------|------------------|
| Motor Vehicle Excise | 3,866,078 | 3,800,000 | 3,895,000 |
| Local Options Excise | 1,016,321 | 1,005,000 | 1,078,625 |
| Penalties and Interest | 304,806 | 200,000 | 205,000 |
| Payments in Lieu of Taxes | 73,802 | 73,801 | 75,646 |
| Fees | 333,237 | 300,000 | 307,500 |
| Rentals | 4,473 | 0 | 0 |
| Departmental Revenue – Cemeteries | 37,700 | 30,000 | 30,750 |
| Licenses and Permits | 1,027,398 | 922,500 | 960,000 |
| Special Assessments | 6,521 | 4,842 | 4,963 |
| Fines and Forfeits | 54,551 | 41,000 | 50,000 |
| Investment Income | 47,662 | 47,000 | 120,000 |
| Medicaid Reimbursement | 548,220 | 74,692 | 81,819 |
| Miscellaneous Recurring Revenue | 1,829,491 | 1,767,296 | 104,793 |
| Miscellaneous Non-Recurring Revenue | 80,574 | 0 | 0 |
| Subtotal | 9,230,834 | 8,266,131 | 6,914,096 |
| Less: MSBA Revenue | (1,569,586) | (1,639,933) | 0 |
| Total | 7,661,248 | 6,626,198 | 6,914,096 |

FY24 State Aid

- Governor's budget not due until March 1, 2023
- Assumptions include:
 - Additional \$30 per student in Chapter 70 funding
 - 2.5% increase to Unrestricted Government Aid
 - 1% increase in all other revenue
- Nashoba Valley Technical High School assessment to be adjusted after Governor's budget released
- Have ability to adjust budget in early March or make adjustments at October STM

New Growth Historical Data

| Fiscal Year | New Growth |
|-------------|------------|
| FY24 | 850,000 |
| FY23 | 892,263 |
| FY22 | 870,884 |
| FY21 | 1,234,704 |
| FY20 | 1,069,837 |
| FY19 | 740,243 |
| FY18 | 408,857 |
| FY17 | 707,422 |
| FY16 | 901,454 |
| FY15 | 1,808,449 |
| FY14 | 1,728,677 |



Additional FY24 General Fund Revenue

| New Revenue | FY24 | Subtotal |
|---------------------------------|-------------|--------------------|
| Tax Revenue: Prop. 2 ½ Increase | \$2,203,883 | |
| Tax Revenue: New Growth | 850,000 | |
| Tax Revenue: PY Excess Capacity | 5,047 | |
| Tax Revenue: Debt Exclusions | (308,820) | |
| MSBA Offset – Debt Exclusions | (1,639,933) | |
| Local Revenue | 287,898 | |
| State Aid | 203,637 | |
| Total New G/F Revenue | | \$1,601,712 |

Allocation of New Revenue

| Allocation of New Revenue | FY24 | Subtotal |
|--|-------------|--------------------|
| Employee Benefits and General Insurance | 905,323 | |
| Net Debt Service | (1,846,877) | |
| NVTHS Assessment | 87,954 | |
| Other Amounts to be Raised | 2,779 | |
| Allowance for Abatements | (43,917) | |
| State Assessments | 16,057 | |
| Change in Premium Res'd for Debt Service | 2,603 | |
| Change in Other Available Funds | 167,128 | |
| Special Town Meeting Appropriation 10/17/22 | 40,000 | |
| Subtotal | | (\$668,950) |
| | | |
| Funds Remaining for Departmental Expenses | | \$2,270,662 |
| Westford Public School Budget 70% | 1,600,955 | |
| Net Town Operating Budgets 30% | 669,707 | |
| Subtotal | | \$2,270,662 |
| Net Remaining | | \$0 |

Federal Funding – COVID-19 Pandemic

| Grant Name | Amount | Spending Date |
|---|-------------|---|
| Town Grants | | |
| American Rescue Plan Act (ARPA) | \$7,417,971 | Appropriate by 12/31/24, Spend by 12/31/26 |
| Amount Allocated as of 11/15/22 | \$4,147,011 | 62 Requests Funded |
| Remaining Balance as of 11/15/22 | \$3,270,960 | |
| FEMA Funding | | |
| Received \$475,723 to date from FEMA. Expecting additional funding of \$31,055. Funding had been used to staff FF/Paramedics at a min. of 10 per shift. Notified in April 2022 that new FEMA administration would not reimburse outstanding claims of \$596,608. Working with Congresswoman Trahan's office to secure reimbursement. Placeholder ARPA funding request pending decision. | | |
| School Grant | | |
| Elementary and Secondary School Emergency Relief (ESSER3) | \$587,730 | 9/30/24 |
| Used to offset cost of full Day Kindergarten in FY23 and FY24 | | |

Reserves

| Description | FY22 Amount | FY23 Amount | FY23 Balance |
|--|---------------|---------------|--------------|
| Free Cash Balance | \$4,284,163 | \$5,842,571 | |
| Stabilization Balance | \$5,502,489 | \$5,545,742 | |
| Total Reserves | \$9,786,652 | \$11,388,313 | |
| | | | |
| Beginning Balance | \$9,786,652 | \$11,388,313 | \$11,388,313 |
| Less: Reserve Min Balance (5%) | (\$5,750,382) | (\$5,920,764) | \$5,467,549 |
| March 25, 2023 Annual Town Meeting Appropriations | | | |
| Less: Capital | (\$1,541,796) | (\$2,768,859) | \$2,698,690 |
| Less: 51 Main Street | 0 | (\$1,000,000) | \$1,698,690 |
| Less: Snow & Ice Deficit | (\$234,223) | (\$400,000) | \$1,298,690 |
| Less: Perchlorate/OPEB | (\$45,000) | (\$425,532) | \$873,158 |
| Remaining Available Reserves | \$2,215,251 | \$873,158 | \$873,158 |
| Total Reserves w/ 5% Min Bal. | \$7,965,633 | \$6,793,922 | \$6,793,922 |

FY24 Budget Highlights

- Allocating town departments additional \$669,707 or 2.48% increase
 - Reduced town department budget requests by \$913,182 due to limited financial resources
- Allocating schools additional \$1,600,955 or 2.50% increase
 - Requested \$1,867,131, leaving a difference of \$266,176

FY24 Projected Expenditures

| Description | Town | School | Other | Total |
|----------------------------|-------------------|-------------------|-------------------|--------------------|
| Westford Public Schools | | 65,639,147 | | 65,639,147 |
| Other Town Departments | 26,307,788 | | | 26,307,788 |
| Community Preservation | | | 1,120,491 | 1,120,491 |
| Debt Service | 3,930,237 | 452,228 | 43,300 | 4,425,765 |
| Enterprise | 1,468,598 | | 7,630,743 | 9,099,341 |
| Unclassified | 7,309,454 | 13,373,507 | | 20,682,961 |
| N.V.T.H.S. | | | 1,383,159 | 1,383,159 |
| Other Amounts to be Raised | 3,453,000 | 1,252,338 | 2,544,191 | 7,249,529 |
| Total | 42,469,077 | 80,717,220 | 12,721,884 | 135,908,181 |
| % of Budget | 31.25% | 59.39% | 9.36% | 100.00% |

Collective Bargaining Agreements

■ **Town:**

- IAFF settled through FY25
- WSO, OPEIU, WPA, WPWA and CWA settled through FY26

■ **Schools:**

- Teachers, Coordinators, Nurses, and Reading and Math Interventionists, and Academic Coaches have an MOA through June 30, 2023
- Food Service Workers settled through FY24
- Central Office Support, School Admin. Assts., and Special Education Transportation Staff settled through FY25
- School Custodians and Teacher Assts. expired June 30, 2022

FY24 Budget - Unclassified

- Health Insurance Trust increasing \$630,128 (+6.13%)
- Health Insurance for Medicare Plans increasing \$91,167 (+6.66%)
- Other Post Employments Benefits (OPEBs) increasing from FY23 level by \$80,339 to \$1,000,000
 - Additional \$355,532 to be funded through Free Cash
- Middlesex Retirement increasing \$259,586 (+4.14%)
- General Insurance and Worker's Comp increasing \$76,303
- Medicare increasing by \$20,000
- Unemployment Insurance decreasing by \$35,000

FY24 Budget - Health Insurance

- Became partially self-insured for health insurance in March 2022
 - Created opportunities to better control costs and we are eligible for pharmacy rebates and other incentives
- Health Insurance Trust balance \$2,102,212 as of 11/30/22
- Budgeted 6.19% increase, while national trend is 7% to 8%
- Funding for retirees on the Medicare plan is increasing 3.82% on January 1, 2023
 - Budget for the Medicare Plan is increasing by 6.66% to \$1,460,061

Health Insurance Budget History

| Fiscal Year | Carrier | Budget | Actual | % Inc/(Dec) |
|--------------------|----------------|---------------|---------------|--------------------|
| FY12 | Tufts | 9,243,598 | 7,724,048 | 0.00% |
| FY13 | Tufts | 9,438,000 | 8,166,078 | 12.67% |
| FY14 | BCBS | 10,131,521 | 8,141,183 | 1.40% |
| FY15 | BCBS | 9,467,933 | 8,186,031 | 5.10% |
| FY16 | BCBS | 9,293,000 | 8,605,922 | 7.83% |
| FY17 | Fallon | 9,697,491 | 9,046,212 | 5.50% |
| FY18 | Fallon | 10,384,523 | 9,439,110 | 2.74% |
| FY19 | BCBS | 10,475,348 | 9,859,572 | 0.60% |
| FY20 | BCBS | 10,449,659 | 10,337,840 | 7.90% |
| FY21 | BCBS | 11,071,922 | 10,522,388 | 4.90% |
| FY22 | BCBS | 11,740,958 | 11,762,774 | 2.50% |
| FY23* | BCBS | 11,646,294 | 4,720,908 | 4.00% |
| FY24 | BCBS | 12,367,589 | | |

*FY23 Actual as of November 30, 2022

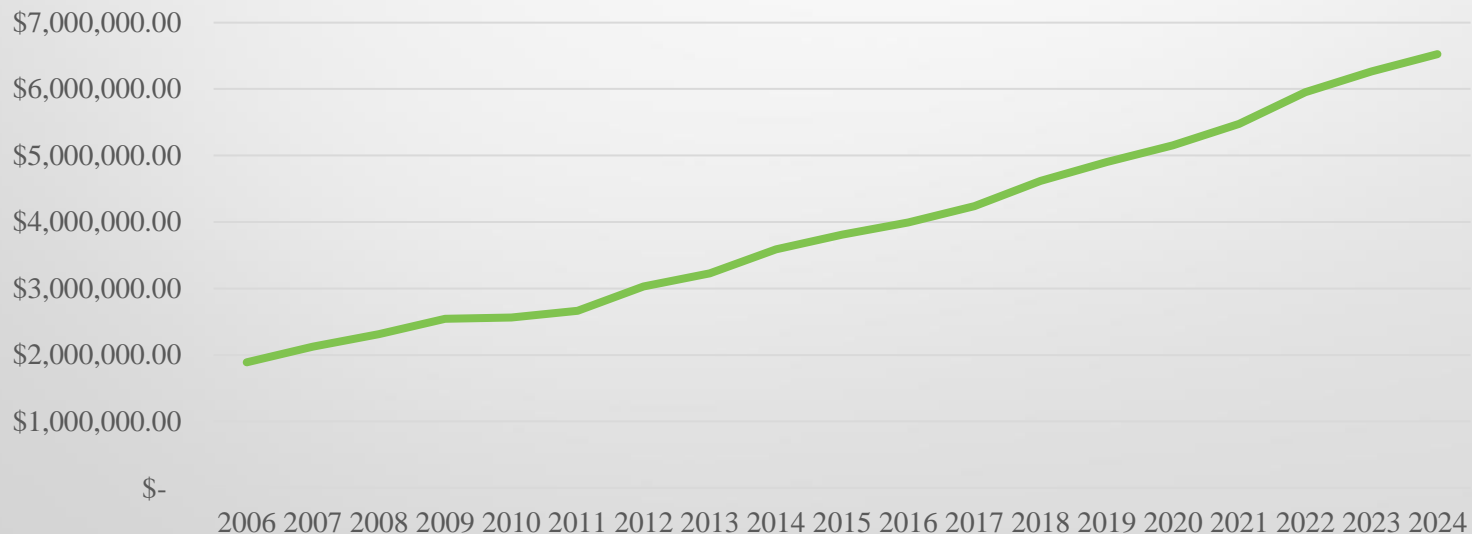
Other Post Employment Benefits

- Our OPEB policy – annually fund “normal costs” – accrued liability for employees hired after Jan 1, 2012
- Current net liability is \$102,633,178 as of June 30, 2022 – new actuarial study to occur each year
- Funding OPEB at \$1,355,532 with \$1,000,00 in the operating budget and \$355,532 in Free Cash
- OPEB Trust Fund current balance \$11,299,690 – after FY24 appropriation balance will be \$12,655,222

Middlesex Retirement

- Middlesex Retirement assessment will continue to increase to meet requirement of fully funding by 2040 - target is currently 2036
 - FY22 \$5,950,276 +8.71%
 - FY23 \$6,263,082 +5.26%
 - FY24 \$6,522,668 +4.14%

Middlesex Retirement Assessment: FY06 to FY24



Will save \$113,591 by paying assessment on July 1, 2023

Public Safety

- Funding 25% of two additional FF/Paramedics in FY24 with the balance funded through ARPA
 - General Fund will fund 50% of salaries in FY25, 75% in FY26, and 100% in FY27
- Additional FF/Paramedic Overtime shifts had been funded through FEMA in FY22 - no longer an eligible expense
- Funded Police and Fire requested overtime amounts
- Reduction of one Police cruiser from requested amount
- Additional 911 Dispatcher requested but not funded due to limited resources

FY24 Budget - Other Departments

- Funded the general fund portion of Community Wellness Coordinator
- Unable to fund the Sustainability Coordinator - possible funding through DEP grant and/or ARPA
- Reduced Legal Services budget (\$20,000)
- Planning Board to seek Summer Village Gift Funds for planning studies
- Police gasoline increased \$26,712 with \$4.00 per gallon estimate
- Tree Warden requested \$67,500 as recommended by the Municipal Vulnerability Preparedness Action Grant - funded at \$40,000

FY24 Budget - Other Departments

- Projected NVTHS Assessment increasing by \$87,954 – Add'l enrollment of 6 students and overall student body increasing by 25 students
 - Final assessment March 1, 2023 when Governor's budget is expected to be released
- Reduced Street Lights budget by \$25,000 due to National Grid credit for switching to LED lights
- Increase of 8.45% to Wastewater Treatment Management in anticipation of new contract
- A portion of salaries for Cemetery and Parks & Grounds employees is no longer allocated to Highway Department to streamline the budget process

FY24 Budget - Other Departments

- Health Department requested increase in Public Health Nurse's hours by 7.5 per week due to COVID
 - Select Board approved ARPA funding for FY23, there is a pending request for FY24
- Increase of \$19,589 for full-time COA Van Driver
- Reduced Veteran's Services budget by \$25,000 based on the past few years actual benefits paid – will seek supplemental funding if needed
- Land Management requested \$70,000 for surveying and monitoring, and treatment as needed of Westford waterbodies as requested by the Healthy Lakes & Ponds Collaborative – able to fund \$50,000
- Will not have initial State Assessments until Governor's budget is released

FY24 Budget – Enterprise Funds

- Water Enterprise – Water Commissioners requesting rate increase due to PFAS treatment and an increased cost in chemicals
- Recreation Enterprise – reduced budget by 2 positions that were not filled in FY23 – discontinued the Westford Partnership for Children (WPC) after school program for middle schools due to low demand
 - Applying \$150,000 in retained earnings after appropriating \$225,000 last year
 - Reducing revenue estimate in line with FY22 actuals
- Ambulance Enterprise - applying \$50,000 in retained earnings after appropriating \$25,000 last year
- Stormwater Enterprise – general fund subsidy remains at \$600,000

FY24 Capital Investment

Preliminary Capital Planning Committee Recommendation:

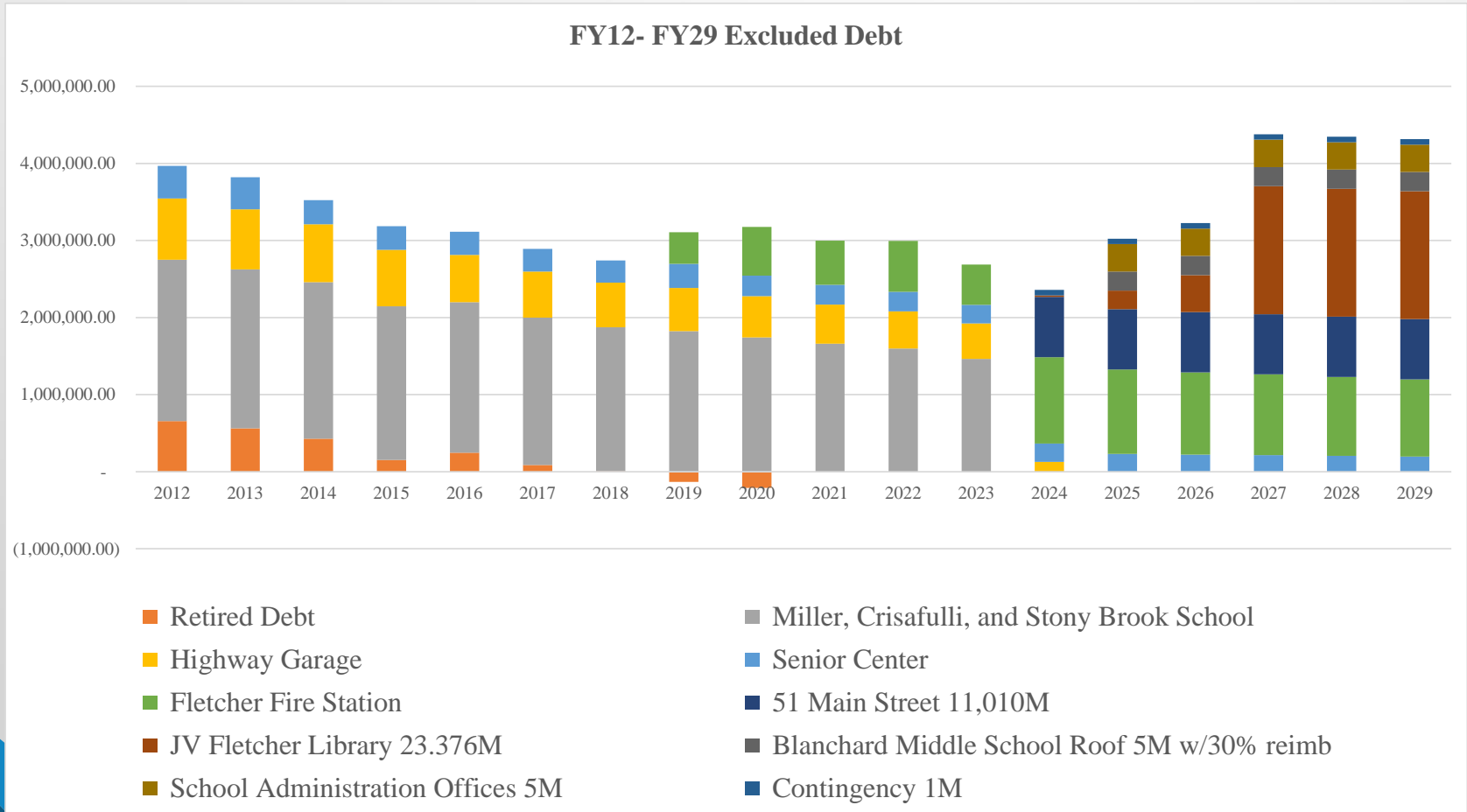
| | |
|--------------------------------------|---------------------|
| Free Cash | \$3,768,859 |
| General Fund Bonds | \$19,969,043 |
| Enterprise Bonds | \$4,545,000 |
| Enterprise Revenue/Retained Earnings | \$564,674 |
| Other Available Funds | \$2,394,479 |
| Total | \$31,242,055 |

**Capital Stabilization current balance: \$514,417*

Excluded Debt Service Building Projects

- [Westford Debt Service Presentation](#) presented at the 10/17/22 STM
 - Target for debt service is 7-10% of the operating budget
 - Miller, Crisafulli, and Stony Brook schools paid off in FY23, Highway Garage will be paid off in FY24
 - Projected debt service as % of budget falling to 4.75%
 - As projects are paid off, opportune time to authorize additional debt exclusions to avoid “dips” and “spikes” in the tax bills
 - New projects include the J.V. Fletcher Library Expansion (approved), 51 Main Street, Blanchard Roof MSBA project, and placeholder for the School Administration Building

FY12-FY29 Excluded Debt



J.V. Fletcher Library Expansion

- Project was approved in fall of 2022 – design development in 2023-2024 – construction June 2024 to June 2026
- Total cost of project is estimated at \$32,546,009 with \$23,375,756 in bonds, \$7,851,994 from Massachusetts Board of Library Commissioners Grant, \$1,300,000 from fundraising, and \$18,259 in CPA funding
- Seeking additional State ARPA funds to offset increased cost
- Estimated annual debt payment is \$1,659,679 beginning in FY27 when the project is expected to be completed
- Tax impact on a median home estimated at \$660,500 is \$158.61 in FY27, with the annual payment declining over time as the tax base grows

New Town Center Building – 51 Main Street

- Cost estimate to demolish existing old fire station, clean up hazardous materials on site, construct a new building, and move technology infrastructure to center of town is approximately \$12,010,000 minus \$1,000,000 from Free Cash
- To date we have appropriated \$872,000 towards the new center building project
- Building will align with our commitment to Net-Zero emissions and sustainability and includes a 100-person meeting room/police training room, and provide suitable office spaces for our technology, veterans services, facilities, community wellness, and sustainability departments
- Article to fund project will be considered at our Annual Town Meeting in March 2023
- Stay tuned for continued public meetings to present plans on this project

Blanchard Roof - MSBA Project

- Blanchard Roof has reached end of life and needs replacement - The roof is leaking, and insurance deductible is \$50,000 per occurrence
- Applied for Massachusetts School Building Authority (MSBA) funding, and anticipate being awarded a 48% match on 12/21/22
 - Total estimated cost of the project is \$6,425,043, with \$3,378,810 planned in excluded bonds and \$3,087,233 funded through MSBA
 - Annual tax impact on a median home estimated at \$660,500 is \$22.93 beginning in FY25
- Construction in summer of 2024 while students are on summer break
- MSBA does not cover the cost of the rooftop chiller units or ventilation fans but will pay to move the equipment - suggesting issuing a non-excluded bond to cover new equipment costs

Non-Excluded Debt Service

- FY24 non-excluded debt service budget is \$2,003,505 with \$1,358,644 permanently bonded and \$644,861 in estimated debt payments for ongoing projects
 - Town and School Safety Task Force – ext. access controls (2020)
 - Carlisle Road sidewalk project (2020)
 - Oak Hill, Plain, and Moore Road project (2020)
 - Public Safety Fully Digital Radio upgrade (2022)
 - Senior Center HVAC project (2022)
 - Plain Road Phase 1 sidewalk construction (2022)
- Projects not yet approved by Town Meeting include the fire department tower truck and Blanchard Roof chiller units and ventilation fans – first debt payment in FY25

Public Works Projects

- DPW completed paving of 8.53 miles of road in 2022
 - Used Chapter 90 funds, Winter Recovery Assistance Program, and Newport Materials mitigation funds
 - Funding FY24 Pavement Management Program through Chapter 90 and Newport Materials mitigation funds – no town operating funds
- Blanchard School Wastewater Tank Rehabilitation completed in September 2022
- Plain Road Sidewalk Extension
 - Phase 1 design complete - working with abutters to secure easements,
 - Phase 2 currently in design

Public Works Projects

- Completed drainage and trail improvements on Bruce Freeman Rail Trail
- Beaver Brook Bridge project construction contract awarded
 - Construction anticipated to start in April 2023
 - \$2,500,000 in State and Federal funding
- Boston Rd Reconstruction in final stages of design and permitting
 - Construction anticipated in FY24, \$12,000,000 in MassDOT funding
- Moore Rd, Oak Hill Rd, and Plain Rd infrastructure improvements
 - Town authorized bonds of \$8,160,000
 - Phase 1 complete by end of 2022, Phase 2 & 3 anticipated to be completed by fall of 2023

Public Works Projects

- Carlisle Road Sidewalk design complete
 - Working with abutters to secure easements, construction anticipated to begin in spring of 2023
- Conceptual plans for the Littleton Rd Widening Project between the Westford Regency and Power Rd is being reviewed by MassDOT
- Design work completed on culverts located at Blue Brook at Groton Rd and Pond Brook at Old Lowell Rd
 - Construction anticipated in 2023
- Designing pedestrian safety improvements at Jack Walsh Fields, West Street

Disposition of Town Properties

35 Town Farm Road

- Select Board awarded contract to SCG Development and CHOICE, Inc., with Icon Architecture, Inc.
- Property to be redeveloped into 35 mixed income senior 62+ units and a new home for the Westford Food Pantry
- New Fire Training Facility to be constructed at 60 Forge Village Rd summer of 2023



Disposition of Town Properties

12 North Main Street

- In FY22, received Mass Development grant in the amount of \$240,000 to assist with cleanup of hazardous materials
- In FY23, applied for a Clean Up Grant from the Environmental Protection Agency in the amount of \$500,000



Recommendations to Consider

- For FY24 we suggest funding the following budgetary needs to continue programs that we were unable to fit within the budget

| Description | Amount |
|---|-----------------|
| Sustainability Coordinator | \$53,541 |
| Brightly Computerized Maintenance Management System | \$27,193 |
| Total | \$80,734 |

- Use \$1,040,000 in ARPA to fund the approved Public Safety Radio Upgrade, saving \$126,880 per year in debt payments over the next 10 years
 - Proceeds could be used for the items above and leave \$46,146 for additional needs

Recommendations to Consider

- Consider implementing some variation of Pay-As-You-Throw (PAYT)
- Awarded two grants in November 2022 from Mass Department of Environmental Protection of \$360,450 to be used for implementation of a PAYT program
- 3rd grant being reviewed by The Recycling Partnership Inc. to provide additional funds - anticipate award in range of \$70,000 to \$140,000 depending upon final program design
- Town Manager's Office will work with the Recycling Commission and Sustainability Coordinator to develop a recommendation for Select Board in January 2023
 - Analysis to include pros and cons of each program and provide estimated revenue or expense reduction projections

Budget Variables

- State and Federal aid
- New growth
- Solid waste and recycling
- Infrastructure/facilities
- Public Safety needs
- Energy costs
- Clean Energy & Sustainability recommendations
- 12 North Main Street
- Hotel/Meals excise
- Snow and ice deficit

Thank you

- We will share information regarding State and Federal aid and revenues as received
- We welcome your input and suggestions
- We are committed to examine each and every opportunity
- We strive to continue to provide high quality services for our residents

